

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
PHILIPPINE BANK OF COMMUNICATIONS**

The annual meeting of the stockholders of the PHILIPPINE BANK OF COMMUNICATIONS was held at The Tents, 6<sup>th</sup> Floor, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City on 28 March 2012 at 3:10 p.m.

I. CALL TO ORDER

The Chairman of the Board, Mr. Roberto V. Ongpin, called the meeting to order. He introduced Mr. Eric O. Recto, Co-Chairman of the Board. He then requested Mr. Recto to preside over the meeting. The Corporate Secretary, Atty. Rodolfo Ma. M. Ponferrada, recorded the minutes of the meeting.

II. CERTIFICATION OF SENDING OF NOTICE

The Secretary certified the fact of sending the notices of the meeting to all stockholders of record.

III. CERTIFICATION OF PRESENCE OF QUORUM

The Secretary certified the existence of a quorum there being present in person or by proxy in the meeting shareholders representing 160,059,280 shares of the Bank or approximately 92.74% of the outstanding voting stock of 172,589,965 common and preferred shares of the Bank.

IV. APPROVAL OF MINUTES OF PREVIOUS MEETING

Mr. Recto directed the Secretary to read the previous minutes of the stockholders' meeting of 15 October 2010. Ms. Evelyn Vinluan, a stockholder, moved that the reading of said minutes be dispensed with. Upon motion made and duly seconded, the reading of the minutes was dispensed with.

Thereafter, Mr. Recto submitted the minutes for approval and upon motion made and duly seconded said minutes were unanimously approved, confirmed and ratified.

V. PRESENTATION AND APPROVAL OF THE ANNUAL REPORT/PRESIDENT'S REPORT

Mr. Recto turned over the floor to Mr. Henry Y. Uy, President & CEO to render his report. He informed them that the annual reports were distributed prior to the meeting.

Upon motion made and duly seconded, the annual report and the audited financial statements for the year ending 31 December 2011, 2010 and 2009 were duly approved and the President's report was duly noted.

VI. RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE MANAGEMENT AND THE BOARD OF DIRECTORS

Mr. Recto presented the ratification of all acts and proceedings of the management and the Board of Directors. Ms. Aida Centeno, a stockholder, moved that the acts and proceedings of the Management and the Board of Directors during the past years (since the last annual meeting in 2010 and up to this meeting, 28 March 2012) be approved.

Upon motion made and duly seconded, the following resolution was passed and approved:

*"RESOLVED, that all business transacted by the Bank during the past years (since the last annual meeting in 2010) as disclosed in the minutes of the meetings of the Management and the Board of Directors*

*and up to the date of this meeting, be, as they are hereby approved, confirmed and ratified."*

VII. APPROVAL OF THE AMENDMENT OF ARTICLE VII OF THE ARTICLES OF INCORPORATION RE: QUASI –REORGANIZATION AND INCREASE IN AUTHORIZED CAPITAL STOCK

Mr. Recto presented the amendment of Article VII of the Articles of Incorporation regarding the Bank's quasi-reorganization and increase in authorized capital stock of up to Php27 billion divided into the equivalent number of common shares with a par value of Php25 per share. The intention is to declassify the existing common and preferred shares of the Bank so that there will only be one class of shares with the exactly same rights and privileges. Ms. Aida Centeno, a stockholder, moved that it be approved.

Upon motion made and duly seconded, the following resolution was passed and approved:

*"RESOLVE, AS IT IS HEREBY RESOLVED, That Article VII of the Amended Articles of Incorporation of the Corporation is amended to read as follows:*

*"SEVENTH – That the amount of capital stock of the Corporation is PESOS: TWENTY SEVEN BILLION, Philippine Currency (P27,000,000,000.00), divided into ONE BILLION EIGHTY MILLION (1,080,000,000) Common Shares with a par value of TWENTY FIVE PESOS (P25.00) per share."*

VIII. APPROVAL OF THE AMENDMENT OF BY-LAWS RE: CREATION OF THE OFFICE OF INTERNAL AUDITOR

Mr. Recto presented for approval the amendment of by-laws re: creation of the office of internal auditor. Ms. Elizabeth Dy, a stockholder, moved that the amendment of by-laws regarding the creation of the office of internal auditor be approved.

Upon motion made and duly seconded, the following resolution was passed and approved:

*"RESOLVE, AS IT IS HEREBY RESOLVED, That the amendment to the By-Laws of the Bank to include the provision for the position of the Internal Auditor be, as it is hereby, approved and read as follows:*

*THE INTERNAL AUDITOR – The internal auditor shall have full, free and unrestricted access to all company activities, records, property and personnel. He shall report directly to the Board of Directors. His duties and responsibilities shall include the following:*



- a. *Performs continuous program of verification and conduct his examination in such a way as to ensure management of the general reliability and validity of all reports;*
- b. *Recommends the establishment of appropriate internal controls;*
- c. *Supervises and maintains the bank's system of internal control and ascertains that it is adequate and functioning properly;*
- d. *Recommends appropriate measures to ensure that the established policies, procedures and controls are followed;*
- e. *Perform such other functions as may be assigned by the Board of Directors in connection with examination, evaluation and appraisal of the bank's operations.*

*The internal auditor's functions are staff and advisory. He has no authority or responsibility over the activities he audits, and his main purpose is to assist the members of the organization in the effective discharge of their responsibilities."*

IX. ADOPTION OF A STOCK OPTION PLAN

Mr. Recto presented for approval the adoption of a stock option plan. Mr. Roberto Hizon, a stockholder, moved that the stock option plan be adopted subject to the regulatory approvals. A copy of the stock option plan was previously circulated to the shareholders and made part of the minutes.

Upon motion made and duly seconded, the following resolution was passed and approved:

*"RESOLVE, AS IT IS HEREBY RESOLVED, That the adoption of a stock option plan be, as it is hereby approved, confirmed and ratified."*

X. ELECTION OF THE MEMBERS OF THE INCOMING BOARD OF DIRECTORS

Mr. Recto requested Atty. Ponferrada to cite the provisions of the Bank's By-Laws with respect to the election of directors. Atty. Ponferrada cited Article III, Section 1 of the By-Laws and quoted in part that "the corporate powers of the bank shall be vested in a board of directors who shall be elected annually by the stockholders and who shall serve until the election and qualification of their successors."

Atty. Ponferrada reported that the Office of the Corporate Secretary and the Nominations Committee of the Corporate Governance Committee, received in favor of the following stockholders nominations as Directors of the Corporation for one (1) year commencing on 28 March 2012, and until their successors shall have been duly elected and qualified, namely:

1. Roberto V. Ongpin
2. Eric O. Recto
3. Mario J. Locsin
4. Henry Y. Uy
5. Gregorio T. Yu
6. Bunsit Carlos G. Chung
7. Ralph C. Nubla, Jr.
8. Edgar J. Sia II

9. Patrick Sugito Walujo
10. Roberto M. Macasaet, Jr.
11. Teresita A. See
12. Raul O. Serrano
13. Imelda S. Singzon
14. Tomas I. Alcantara
15. Jose P. Leviste, Jr.

Mr. Macasaet, Mr. Serrano, Ms. See, Ms. Singzon, Mr. Alcantara and Mr. Leviste are the independent directors of the Bank.

Upon motion made and duly seconded, the aforesaid stockholders were declared elected as directors to serve as such for the ensuing year, and until their successors shall have been duly elected and qualified.

For purposes hereof, the following resolution was passed and approved:

*"RESOLVED, That the following stockholders nominated as Members of the Board of Directors of the Bank be, as they are hereby, declared elected as such for a term of one (1) year commencing on 28 March 2012 until their successors shall have been duly elected and qualified:*

- |                              |                          |
|------------------------------|--------------------------|
| 1. Roberto V. Ongpin         | - Director               |
| 2. Eric O. Recto             | - Director               |
| 3. Mario J. Locsin           | - Director               |
| 4. Henry Y. Uy               | - Director               |
| 5. Gregorio T. Yu            | - Director               |
| 6. Edgar J. Sia II           | - Director               |
| 7. Patrick Sugito Walujo     | - Director               |
| 8. Bunsit Carlos G. Chung    | - Director               |
| 9. Ralph Nubla, Jr.          | - Director               |
| 10. Imelda S. Singzon        | - Independent Director   |
| 11. Raul O. Serrano          | - Independent Director   |
| 12. Roberto M. Macasaet, Jr. | - Independent Director   |
| 13. Teresita A. See          | - Independent Director   |
| 14. Tomas I. Alcantara       | - Independent Director   |
| 15. Jose P. Leviste, Jr.     | - Independent Director." |

XI. ELECTION OF EXTERNAL AUDITORS

Mr. Recto presented election of external auditors. Mr. Antonio Beltran, a stockholder, moved that the Bank retain SGV & Co., Certified Public Accountants, as external auditors for the year 2012.

Upon motion made and duly seconded, the following resolution was passed and approved:

*"RESOLVED, that the Sycip, Gorres, Velayo & Co. be, as it is hereby, appointed as external auditors of the Bank for the year 2012."*

XII. ADJOURNMENT

The floor was opened by the Chairman for stockholders to ask questions or raise any matter they wish to raise. No significant matter was discussed.

There being no other matters to discuss, the meeting was adjourned.

CERTIFIED CORRECT:



**RODOLFO MA. A. PONFERRADA**  
Corporate Secretary

MINUTES READ AND APPROVED:



**ERIC O. RECTO**  
Chairman of the Meeting